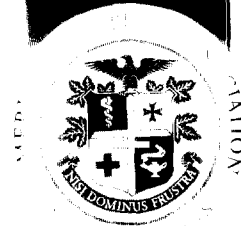




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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable William E. Kennard
Chairman
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, D.C. 20554

Re: CC Docket Nos. 97-21, 96-45 and DA 98-1336 -- Universal Service Administrative Company Plan of Reorganization

Dear Chairman Kennard:

The American Hospital Association (AHA) represents nearly 5,000 hospitals, health systems and other providers of care, about half of which are located in or serve rural communities. On behalf of these members, we are pleased to offer comments on the proposed Universal Service Administrative Company (USAC) Plan of Reorganization.

We appreciate the efforts made by the Federal Communications Commission (FCC) to reorganize the Rural Health Care Corporation, the Schools and Libraries Corporation and the USAC into a single entity; however, we are very concerned about the lack of appropriate rural representation. The proposal suggests that seven members of the newly consolidated 18-member governing board, referred to as the USAC, would form a Rural Health Care Committee. Unfortunately, there is only one rural health care representative on the current USAC board.

The AHA believes that the USAC will be unable to fulfill its responsibilities without the expert advice of experienced rural health care and telehealth professionals. To serve the unique needs of rural communities, members of the USAC, in general, and the Rural Health Care Committee, in particular, must have substantial experience and knowledge in these areas. In fact, **we strongly recommend that all seven members of the Rural Health Care Committee be recognized professionals in rural health care delivery or telehealth technology.**

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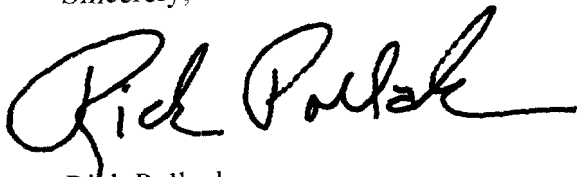


The Honorable William E. Kennard, Chairman
August 3, 1998
Page 2

The AHA supports the FCC's endeavors to provide efficient administration of universal service support mechanisms for schools, libraries and rural health care providers. But we cannot support a plan that lacks adequate representation from the communities that will rely on these vital services. We would be happy to work with the FCC to identify individuals who we believe have the expertise to effectively represent the concerns of rural health care providers on the Rural Health Care Committee.

Should you have any questions regarding our comments, please contact me, Linda Magno, interim vice president for policy, at (202) 626-2329, or Anne Nicoll at (202) 626-2369.

Sincerely,

A handwritten signature in black ink, reading "Rick Pollack". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rick Pollack
Executive Vice President
Government and Public Affairs